

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
SEATTLE DIVISION**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

ISHAN WAHI, NIKHIL WAHI, AND  
SAMEER RAMANI,  
Defendants.

Case No. 2:22-cv-01009-TL

PARADIGM OPERATIONS LP'S MOTION  
FOR LEAVE TO FILE BRIEF OF AMICUS  
CURIAE

NOTE ON MOTION CALENDAR:  
March 24, 2023

In compliance with Fed. R. Civ. P. 7 and Local Civil Rule 7 Paradigm Operations LP ("Paradigm") respectfully moves to file a brief as amicus curiae regarding the scope of the Securities and Exchange Commission's ("SEC") jurisdiction over digital assets and whether secondary market trades of digital assets should be considered "securities transactions" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. A copy of the proposed brief is attached as Exhibit A to this Motion.

**I. STATEMENT OF INTEREST**

Paradigm is a venture investment firm focused on supporting innovation within the crypto asset, blockchain, and web3 sectors. Paradigm offers a range of services, from the technical to the operational, to help crypto companies and projects achieve their full potential.

1 Similarly, in its role as an industry participant and steward, Paradigm actively dedicates  
2 significant resources to engaging with state and federal regulators, legislators, trade  
3 associations, and other industry participants in order to help educate, advocate for, and grow  
4 the industry. Paradigm has filed briefs as *amicus curiae* in several matters similarly as critical  
5 as this, including in the matter of *SEC v. Ripple Labs, Inc.*, No. 20-cv-10832 (AT) (SN)  
6 (S.D.N.Y.) (“*Ripple Labs*”), and in the matter of *Commodity Futures Trading Comm'n v. Ooki*  
7 *DAO*, No. 3:22-cv-05416-WHO, 2022 U.S. Dist. LEXIS 228820 (N.D. Cal. Dec. 20, 2022).  
8 Paradigm seeks leave to participate in this case because it is concerned that a decision which  
9 casually adopts the SEC’s expansive and unsupported application of the test set forth in *S.E.C.*  
10 *v. W.J. Howey Co.*, 328 U.S. 293 (1946) (“*Howey*”), without appreciating its impact, could  
11 have sweeping and unintended effects on Paradigm, the companies and projects it supports,  
12 and the many others who seek to utilize this new technology in ways that may benefit millions  
13 of users in the United States and around the world.

## 14 15 **II. ARGUMENT**

16 This Court has “broad discretion to permit or prohibit amicus participation.” *Maverick*  
17 *Gaming LLC v. United States Defendants*, No. 3:22-cv-05325-DGE, 2022 U.S. Dist. LEXIS  
18 189275, at \*4 (W.D. Wash. Oct. 17, 2022) citing *Hoptowit v. Ray*, 682 F.2d 1237, 1260 (9th  
19 Cir. 1982). Amicus curiae fulfill a critical role in our judicial system by submitting briefs  
20 “designed to supplement and assist in cases of general public interest, supplement the efforts of  
21 counsel, and draw the court’s attention to law that might otherwise escape consideration.”  
22 *Cnty. Ass'n for Restoration of the Env't v. Deruyter Bros. Dairy*, 54 F. Supp. 2d 974, 975 (E.D.  
23 Wash. 1999). Leave to file an amicus brief should “normally be allowed” in instances where a  
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1 party has “unique information or perspective that can help the court beyond the help that the  
2 lawyers for the parties are able to provide.” *Id.*

3         Paradigm respectfully submits that leave to file an *amicus* brief is appropriate here. The  
4 proposed *amicus* brief by Paradigm will be of aid to the Court and will offer insights not  
5 presented by or available to the parties. Paradigm possesses a deep and extensive  
6 understanding of the underlying technology, the legal issues, the applicable jurisprudential  
7 history, and the potential consequences at stake in this case. The extent of its expertise is  
8 evidenced by its prior *amicus* brief in the *Ripple Labs* matter having been cited by both the  
9 SEC and Ripple Labs, Inc, in that case. *See Ripple Labs*, Pl. Reply Mem. of Law in Further  
10 Sup. of Pl. Mot. for Summ. J, ECF No. 730 at p. 28, 32, 52; *see also Ripple Labs*, Def. Reply  
11 Mem. of Law in Sup. of Def. Mot. for Summ. J, ECF No. 729 at p. 1, 10. Paradigm’s proposed  
12 *amicus* brief focuses on the novel position of the SEC with respect to the nine crypto assets at  
13 issue in this matter, which is not supported by *Howey* jurisprudence. Paradigm believes this  
14 perspective is critical given that the SEC’s theory of law would create an entirely new standard  
15 for investment contract determinations that no market participant could possibly comply with.  
16 The implications of a judicial endorsement of the SEC’s flawed position would have  
17 significant consequences for Paradigm, its supported companies, projects, and protocols, and  
18 others engaging with crypto assets.  
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21         Paradigm has a substantial interest in ensuring that the Court has been presented with a  
22 comprehensive review of the issues, jurisprudential history, and associated consequences in  
23 order to “draw the court’s attention to law that might otherwise escape consideration.” *Cnty.*  
24 *Ass’n for Restoration of the Env’t*, 54 F. Supp. 2d 974 at 975. Thus, Paradigm respectfully  
25 submits, the proposed *amicus* will aid the court in fashioning a ruling. *See Sierra Club*, 2016

U.S. Dist. LEXIS 124269, at \*5 (granting motion for leave to file *amicus* filed by industry group where issue “could have ramifications beyond the current parties”).

### III. CONCLUSION

For the foregoing reasons, Paradigm respectfully requests that this Court grant the motion for leave to file the *amicus* brief attached hereto as Exhibit A.

DATED this 9th day of March, 2023.

ADMON LAW FIRM, PLLC

By /s/Moshe Y. Admon  
Moshe (Jeff) Admon, WSBA #50235  
300 Lenora St., #4008  
Seattle, WA 98121  
Tel: (206) 739-8383  
Email: [jeff@admonlaw.com](mailto:jeff@admonlaw.com)

COHENWILSON LLP  
Lewis Rinaudo Cohen, (*pro hac vice* pending)  
Gregory Strong, (*pro hac vice* pending)  
Weiyang Chen, (*pro hac vice* pending)  
Freeman Lewin, (*pro hac vice* pending)  
331 Park Avenue South  
New York, NY 10010  
Tel: (212) 984-6845  
Email: [lewis.cohen@dlxlaw.com](mailto:lewis.cohen@dlxlaw.com)  
Email: [greg.strong@dlxlaw.com](mailto:greg.strong@dlxlaw.com)  
Email: [sarah.chen@dlxlaw.com](mailto:sarah.chen@dlxlaw.com)  
Email: [freeman.lewin@dlxlaw.com](mailto:freeman.lewin@dlxlaw.com)

PARADIGM OPERATIONS LP  
Rodrigo Seira, (*pro hac vice* pending)  
548 Market Street  
San Francisco, CA 94104  
Tel: (415) 986-9283  
Email: [rodrigo@paradigm.xyz](mailto:rodrigo@paradigm.xyz)

*Attorneys for Amicus Curiae Paradigm Operations LP*

**CERTIFICATION:** The above signatory also certifies that this memorandum contains

814 words, in compliance with the Local Civil Rules.